

Message Text

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PAGE 01 KUWAIT 02333 010905Z
ACTION NEA-10

INFO OCT-01 ISO-00 AF-10 EB-07 CIAE-00 INR-07 NSAE-00
TRSE-00 AID-05 /040 W
-----010908Z 086366 /21

R 010636Z MAY 77
FM AMEMBASSY KUWAIT
TO AMEMBASSY NOUAKCHOTT
AMCONSUL DHAHRAN
INFO SECSTATE WASHDC 7884
USDOC WASHDC

LIMITED OFFICIAL USE KUWAIT 2333

E.O. 11652: N/A
TAGS: BENC, EMIN, MR
SUBJECT: DISPUTE BETWEEN KUWAIT INVESTOR IN SAMIA AND SNIM

REF: NOUAKCHOTT 687 AND PREVIOUS

1. TALKING WITH E/C CHIEF BUCK (WHO HAD SERVED IN NOUAKCHOTT), RETIRED KUWAITI AMBASSADOR SAEED SHAMMAS, NOW PARTNER IN KUWAITI FIRM OWNING NEW SEASIDE HOTEL/ MOTEL IN NOUAKCHOTT, SAID MAURITANIAN CENTRAL BANK GOVERNOR AHMED OULD DADDAH, DURING RECENT VISIT TO KUWAIT, DID A GOOD JOB OF "CLEARING THE AIR" BETWEEN KUWAIT INVESTORS IN SAMIA AND MAURITANIAN COPPER PRODUCING COMPANY, SNIM. HOWEVER, SAMIA, THE REFINER, MUST STILL REACH AGREEMENT WITH SNIM, THE PRODUCER, ON WHAT SAMIA WILL PAY SNIM FOR COPPER ORE.

2. SHAMMAS ADMITTED THAT HE WAS NOT DIRECTLY INVOLVED IN THE NEGOTIATIONS, BUT SAID HE HAD FOLLOWED THE PROBLEMS BETWEEN SAMIA AND SNIM FOR SOME TIME BECAUSE FAILURE OF THIS JOINT KUWAITI/MAURITANIAN VENTURE COULD HAVE AN ADVERSE EFFECT ON HIS HOTEL OPERATION IN
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NOUAKCHOTT.

3. A FREQUENT VISITOR TO NOUAKCHOTT, SHAMMAS COMMENTED THAT KUWAITI INVESTORS WERE INTERESTED IN PROJECTS IN MAURITANIA, AND THE GOK'S RECORD AS AN AID DONOR TO MAURITANIA WAS GOOD. BESIDES PARTICIPATING THROUGH THE KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT AND THE

ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT IN CONSTRUCTION OF THE NOUAKCHOTT-NEMA ROAD AND IN EXPANSION OF NOUADHIBOU PORT, GOK WAS CONSIDERING PROVIDING SAMLL HOSPITAL FOR NOUAKCHOTT, SHAMMAS SAID, HOWEVER, MAUITANIAN RED TAPE, ESPECIALLY CUSTOMS, SOMETIMES DAMPENED KUWAIT ENTHUSIASM. AS EXAMPLY SHAMMAS CITED CASE OF AFARCO (SUBSIDIARY OF LARGE KUWAIT FOREIGN TRADING AND INVESTMENT COMPANY) (KFTIC) WHICH, AFTER BEING ENCOURAGED BY MAURITANIAN GOVERNMENT TO BUILD LARGE OFFICE BUILDING IN NOUAKCHOTT, FOUND ITSELF LIABLE TO HEAVY DUTIES ON MATERIAL IT BROUGHT IN TO CONSTRUCT THE BUILDING.

4. QUERIED APRIL 30 ABOUT SAMIA,SNIM NEGOTIATIONS, ABDULLAH QABANDI, INVESTMENTS DIRECTOR OF SAMIA'S KUWAITI PARTNER, KFTCIC, SAID MATTERS WERE STILL ON DEAD CENTER. IN ASE OF BOTH COPPER SMELTER AND IRON ORE PELLETIZING PLANT, KUWAIT SIDE COULD NOT GO AHEAD WITH INVESMENT UNTIL THERE WAS AGREEMENT ON THE PRICE OF THE ORES TO BE SUPPLIED, AND, MORE IMPORTANT, UNTIL THE MAURITANIANS CAME UP WITH RELIABLE SCHEDULES AND COMMITMENTS FOR SUPPLYING ORE FOR KUWAITI-FINANCED PROCESSING FACILITIES. QABANDI NOTED THAT OULD DADDAH COME TO KUWAIT TO REPRESENT MAURITANIEA AT ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT MEETING; HE KNEW OF NO SPECIFIC BREAKTHROUGHS AS RESULT OULD DADDAH VISIT. KFTCIC HOPES THAT OUTSTANDING MATTERS CAN BE RESOLVED, QABANDI SAID, BUT FEELS THAT BURDEN IS ON SNIM TO COME UP WITH PRODUCTION COMMITMENTS LIMITED OFFICIAL USE

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NECESSARY BEFORE KFTCIC CAN INVEST IN PROCESSING FACILITIES.

5. FOR AMCONSUL DHAHRAN: WOULD APPRECIATE YOUR PROVIDING GIST OF ABOVE TO RONALD D. BROWN, VP ALLIS CHALMERS ERVICES, INC., BOX 9, AL-KHOBAR, TEL. 42784. BROWN IS A REGULAR VISITOR TO KUWAIT AND HAS ASKED THAT WE KEEP HIM INFORMED ON SAMIA/SNIM DEVELOPMENTS, AS COMPANY WISHES TO PROVIDE EQUIPMENT IF PROJECTS EVER GET STARTED. MAESTRONE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COPPER, TRADE COMPLAINTS, INVESTMENTS, NEGOTIATIONS, MINING INDUSTRY
Control Number: n/a
Copy: SINGLE
Sent Date: 01-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KUWAIT02333
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770152-0894
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197705105/aaaadnps.tel
Line Count: 108
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f48a6088-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 NOUAKCHOTT 687
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2337672
Secure: OPEN
Status: NATIVE
Subject: DISPUTE BETWEEN KUWAIT INVESTOR IN SAMIA AND SNIM
TAGS: BENC, EMIN, MR, KU, SAMIA, SNIM
To: NOUAKCHOTT DHAHRAN
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/f48a6088-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009